

To the Honorable Council City of Norfolk, Virginia

March 18, 2014

From:

Anthony Burfoot, City Treasurer

Subject: Credit card payment fees

Reviewed: Joseph J. Howell, Assistant to the City

Ward/Superward: Citywide

Manager

Approved:

Item Number:

R-11

Recommendation: Adopt Ordinance

II. **Applicant:** City Treasurer

III. Description

This agenda item is an ordinance submitted for Council approval authorizing the City Treasurer to accept credit cards for the payment of taxes and to authorize the City Treasurer to add a fee to such payments in order to recover fees charged by the credit card companies.

IV. **Analysis**

VA Code 2.2-614.1 B authorizes adding the credit card fees charged by credit card companies to what is owed by the taxpayer. Due to state enabling legislation, a number of localities are passing this fee onto taxpayers. In an effort to be fiscally responsible and to insure the City funds are protected, revenues spent to cover these fees can better be utilized and reprogrammed to assist the City with any future budget shortfalls.

Financial Impact V.

The cost savings to the City, once implemented, will be significant. Over the last five years, the city has expended over \$870,000 to pay processing fees on transactions conducted by taxpayers within the City Treasurer's Office.

VI. **Environmental**

N/A

VII. Community Outreach/Notification

Notice of this item was provided through the City of Norfolk's City Council agenda notification process.

VIII. Coordination/Outreach

This ordinance has been coordinated with the Office of Budget & Grants Management and City Attorney's Office.

Supporting Material from the City Attorney's Office:

• Ordinance

2/7/2014-km

Form and Correctness Approved

Office of the City Attorney

Contents Approved:

DEPT. Treasure

ORDINANCE No.

AN ORDINANCE TO AMEND AND REORDAIN ARTICLE IV OF CHAPTER 16 OF THE NORFOLK CITY CODE, 1979, SO AS TO ADD ONE NEW SECTION, NUMBERED 16-100, TO PROVIDE THE TREASURER THE AUTHORITY TO ACCEPT CREDIT CARDS FOR PAYMENT OF TAXES AND TO AUTHORIZE THE TREASURER TO ADD A FEE TO SUCH PAYMENTS IN ORDER TO RECOVER FEES CHARGED BY THE CREDIT CARD COMPANIES.

NORFOLK, VIRGINIA

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That Article IV of Chapter 16 of the Norfolk City Code, 1979, is hereby amended and reordained to add Section 16-100 to read as follows:

Sec. 16-100. Authorization to accept credit cards.

The City Treasurer shall be authorized to accept credit cards for payment of taxes and is authorized to add a fee to such payments in order to recover the fees charged by the credit card companies.

Section 2:- That this ordinance shall be in effect from and after its adoption.